

Financial Services Delivery Plan

Overview of Financial Services

Financial Services comprises of Accountancy, Exchequer, Payroll and Internal Audit services and is made up of 9.34 Full Time Equivalents.

The purpose of the service is to provide for the proper administration of the Council's financial affairs and the effective stewardship and accountability of public money. The service is also responsible for monitoring the overall financial health of the Council and ensuring that there is a stable financial base from which the Council's service delivery can be maximised.

The key functions and responsibilities of each team within Financial Services are:

1. Accountancy

- Medium Term Financial Strategy – The purpose of this Strategy is to set a robust overall financial framework for the Council's plans over the next five years which support the delivery of the Council's priorities within the context of an annual balanced budget. The MTFS is reviewed throughout the financial year and is revised and presented to Members every January.
- Annual Revenue and Capital Budgets – It is a legal requirement for a Council to set a balanced budget prior to the financial year to which it relates. The Accountants liaise with all budget managers to identify whether there are any additional budgets required for growth items and whether any savings can be identified
- Budget Monitoring – This is carried out on a regular basis throughout the year and quarterly reports are presented to all Committees showing their forecast outturn position against their budgets.
- Annual Financial Report – The Statement of Accounts must be produced in line with statutory requirements and International Financial Reporting Standards and are subject to External Audit opinion.
- Treasury Management – The Council's cashflow is monitored on a daily basis in order to determine the investment or borrowing requirements of the Council. These decisions must be in accordance with the approved Treasury Management Strategy and Prudential Indicators.
- Banking – This includes the correct allocation of income to services, producing monthly bank reconciliations and tendering for a banking service provider

2. Exchequer

- Administration of creditor payments and debtor billing and council mortgages
- Arranging and administering the Council's insurance requirements and liaising with the insurance provider regarding claims from the public
- Management of taxation issues which are mainly VAT

3. Payroll

- Payment of salaries and Members' allowances and expenses and election payments.

4. Internal Audit

- Internal Audit is an independent appraisal function established by management for the review of the Council's internal control system. It is a statutory function, governed by legislative requirements. The service is resourced by a mixture of in-house provision and a shared service arrangement with a neighbouring authority. In addition to the statutory functions, Internal Audit acts as the Council's lead in fraud and corruption awareness, detection, prevention and investigation. This service also facilitates operational risk management, the Council's key contact on the National Fraud Initiative, the Council's Money Laundering Reporting Officer and the Bribery Act Compliance Officer.

The cost of running these services totals £474,057, which includes staffing costs, the Internal Audit shared arrangements contract costs and supplies and services.

Since 2008/09, the Financial Services team have successfully produced a balanced budget and a robust Medium Term Financial Strategy by working in conjunction with Management Team and Budget Managers. This has been achieved during a period of economic recession and with increasingly reduced Government funding.

Forward Planning for Councillors

| Proposed date of decision | Item | Service Area | Service Delivery Champion | Committee |
|---------------------------|--|--------------------|---------------------------|--|
| September 2014 | Approval of the Annual Financial Report | Financial Services | Cllr Gareth Wilson | Corporate Governance & Finance Committee |
| September 2014 | Approval of revised Anti Fraud & Anti Corruption Policy | Financial Services | Cllr Gareth Wilson | Corporate Governance & Finance Committee |
| September 2014 | Approval of the Annual Governance Statement | Financial Services | Cllr Gareth Wilson | Corporate Governance & Finance Committee |
| November 2014 | Budget Monitoring Reports to Committee | Financial Services | Cllr Gareth Wilson | Corporate Governance & Finance Committee |
| November 2014 | Business Plan for the Leisure Facility outlining the Financing Proposals | Financial Services | Cllr Gareth Wilson | Corporate Governance & Finance Committee |
| December 2014 | Council Tax Base Setting | Financial Services | Cllr Gareth Wilson | Corporate Governance & Finance Committee |
| January 2015 | Draft Revenue & Capital Budgets 2015/16 Report | Financial Services | Cllr Gareth Wilson | Corporate Governance & Finance Committee |
| January 2015 | Approval of the Medium Term Financial Strategy | Financial Services | Cllr Gareth Wilson | Corporate Governance & Finance Committee |

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| January 2015 | Approval of the Treasury Management Strategy | Financial Services | Cllr Gareth Wilson | Corporate Governance & Finance Committee |
| February 2015 | Setting of the Council Tax 2015/16 | Financial Services | Cllr Gareth Wilson | Full Council |
| February 2015 | Approval of the 2015/16 Revenue Budgets, the Capital Programme, Reserves, and Fees and Charges | Financial Services | Cllr Gareth Wilson | Full Council |
| March 2015 | Internal Audit Charter and Annual Internal Audit Plan | Financial Services | Cllr Gareth Wilson | Corporate Governance & Finance Committee |

Strategy map



Measuring Performance

| Adding Value Performance Measure | Target | Actual |
|---|----------------------------------|---------------|
| To ensure that the Annual Internal Audit Plan adds value to the organisation. | To meet 100% of Service Managers | |

| Investment Interest Performance Measure | Target | Actual |
|---|--------------------|---------------|
| The average interest % interest earned on investments is above the 3 month LIBID rate | 3 Month LIBID rate | |

| Banking Contract Performance Measure | Target | Actual |
|---|---------------|---------------|
| To implement the re – tendered banking contract | 1 April 2015 | |

| Financial Performance Measure | Target | Actual |
|--|---------------|---------------|
| To produce quarterly budget monitoring reports to Committees | Quarterly | |

| Safer Communities Performance Measure | Target | Actual |
|--|--|---------------|
| Work with partners to provide a co-ordinated approach to tackling tenancy fraud. | 100% | |
| To increase sign up from Registered Social Landlords to share tenancy information. | To have one East Cambridgeshire housing provider signed up to the Cambridgeshire Tenancy Forum | |
| Raise awareness of fraud and corruption across the organisation. | | |

| Customer needs Performance Measure | Target | Actual |
|---|---------------|---------------|
| To pay undisputed invoices within 30 days | 99% | |

Delivering the service

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| Name | To ensure that the Annual Internal Audit Plan adds value to the organisation. |
| Owner | Principal Auditor |
| Co owners | Members of the Internal Audit Team |
| Purpose | The audit plan is influenced by the resources that are made available to it by the Council. Whilst its primary objective is to ensure that the level of coverage of key financial systems is appropriate, sufficient and effectively employed to enable our external auditors to place reliance on the work of internal audit as part of their own annual audit, there is capacity within the available resources to undertake other audit reviews that add value to or assist the Council in achieving its objectives. Service Managers must therefore have input to the audit planning process to ensure that audit resources can be utilised. |
| Links | Internal Audit Charter, Public Sector Internal Audit Standards. |
| Formula | Risk scores determine audit coverage. |
| Source of Data | Annual Internal Audit Plan, notes of meetings. |
| Frequency | Annual – Report to Corporate Governance & finance Committee in March each year. |
| Target | Meet 100% of Service Managers |
| Rewards/Penalties | Meeting with Service Managers enables input to/ownership of the audit plan. |
| Who measures? | Principal Auditor. |
| Who acts on the data? | Principal Auditor. |
| What will be done | <ol style="list-style-type: none"> 1. Initial work by Principal Auditor to allocate resources to known areas to be audited eg key financial systems, corporate/governance work/annual leave etc. 2. Meet with individual Service Managers to identify specific risks to delivery of services or areas where internal audit could assist in reviewing systems./processes. 3. Complete risk assessment of each area and incorporate higher risk areas into the audit plan subject to availability of resources. 4. Prepare Annual Internal Audit Plan for approval by Corporate Governance & Finance Committee. |
| Feedback | 1:1 meetings with Financial Services Manager & S151 Officer and other Service Managers. |
| Notes | The primary objective of internal audit is to provide assurance on the riskier more complex areas of business which typically will be the key financial systems which are audited annually. 'Added Value' work should not detract from the resources required to satisfy the external auditors that they can place reliance on the work of internal audit. |

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| Name | The average interest % interest earned on investments is above the 3 month LIBID rate |
| Owner | Accountant (Treasury Management) |
| Co owners | Members of the Finance team providing treasury management cover |
| Purpose | To ensure that every effort is made to seek maximum returns on investments whilst also maximising the security of the Council's monies |
| Links | CIPFA Treasury Management in the Public Services : Code of Practice |
| Formula | To ensure that the daily balance on the Council's bank account is as near to £zero as possible in order to maximise returns on investments |
| Source of Data | The Financial Director Banking system, money market and bank accounts |
| Frequency | Twice yearly – mid year update to Corporate Governance & Finance Committee in November and an outturn report in the following September.. |
| Target | Above the LIBID rate (currently 0.60%) |
| Rewards/Penalties | To maximise income for the Council to help contribute to a balanced budget |
| Who measures? | Accountant (Treasury Management) |
| Who acts on the data? | Accountant (Treasury Management) and Financial Services Manager (S151 Officer) |
| What will be done | Where possible, a proportion of the Council's cash flow will be placed in longer term investments to obtain a higher return than shorter term rates offer, subject to cash flow permitting. |
| Feedback | 1:1 meetings with Financial Services Manager & S151 Officer, Principal Accountant & Sector (the Council's treasury advisor) |
| Notes | |

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| Name | To implement the re-tendered banking contract by 1 April 2015 |
| Owner | Principal Accountant |
| Co owners | Accountancy Assistant |
| Purpose | To ensure that the new banking contract is successfully implemented as the Council's current banking contractor no longer wishes to continue providing this service. |
| Links | Annual budget and Medium Term Financial Strategy |
| Formula | To ensure that there is a smooth transition from one bank to another (including 3 months parallel running) |
| Source of Data | Bank tender document, correspondence with both banks and regular meetings with new banking provider. |
| Frequency | Frequent meetings / phone calls and emails with the new banking provider |
| Target | 1 April 2014 |
| Rewards/Penalties | To ensure that the Council continues to pay its suppliers invoices, staff salaries and Members allowances and be able to bank its income from council tax, business rates, fees and charges etc |
| Who measures? | Principal Accountant |
| Who acts on the data? | Financial Services Manager and the Finance team |
| What will be done | <ol style="list-style-type: none"> 1. Notify all ECDC staff who are affected by change of banks 2. Change bank details on correspondence to the public where applicable 3. Formal notice to current banking provider notifying them of the transfer date to new bank 4. Order new cheques 5. Migration of Bacs from 1 bank to the other 6. Notify customers who pay council tax / business rates etc by standing order 7. Notify suppliers, the DCLG & other Government departments and customers of new bank details. 8. Treasury Management – notify counterparties and brokers of new bank details. <p>Acquire new interfaces for cash receipting system.</p> |
| Feedback | Finance Team meetings, Service Managers, quarterly performance report |
| Notes | |

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| Name | To produce quarterly budget monitoring reports for Committees |
| Owner | Financial Services Manager |
| Co owners | Accountant (Treasury Management) and Accountancy Assistant |
| Purpose | To ensure that Committees' budgets can be scrutinised by both Members and Officers and that any forecast under or overspends are identified as soon as possible. |
| Links | Annual budget and Medium Term Financial Strategy |
| Formula | By working with Service Managers to identify any forecast under / over spends so that the Council's overall financial position can be reported to Corporate Governance & Finance Committee. |
| Source of Data | Agresso |
| Frequency | Quarterly |
| Target | 100% |
| Rewards/Penalties | Forecast under spend would help balance future year's budgets Forecast over spend would put further pressure on the Council's financial position across the medium term |
| Who measures? | The Finance Team |
| Who acts on the data? | Financial Services Manager and the Finance team |
| What will be done | <ol style="list-style-type: none"> 1. Monthly budget reports sent to Service Managers 2. Finance Officers contact Service Managers on a quarterly basis to review their budgets. 3. Significant variances are reported to Committees |
| Feedback | Committee reports |
| Notes | |

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| Name | Work with partners to provide a co-ordinated approach to tackling tenancy fraud. |
| Owner | Principal Auditor |
| Co owners | Partners (ARP, RSLs) |
| Purpose | To create an anti-tenancy fraud culture across Cambridgeshire through the establishment of the Cambridgeshire Tenancy Fraud Forum, which meets at least on a quarterly basis. |
| Links | Anti-Fraud & Anti-Corruption Strategy, Prevention of Social Housing Fraud Act 2013, Audit Commission report 'Protecting the Public Purse'. |
| Formula | Number of meetings attended. |
| Source of Data | Minutes of meetings. |
| Frequency | As notified by invitation. |
| Target | 100%. |
| Rewards/Penalties | Attendance at meetings allows Principal Auditor to keep up to date with tenancy fraud issues as they occur in other local authorities. |
| Who measures? | Principal Auditor |
| Who acts on the data? | Principal Auditor |
| What will be done | <ol style="list-style-type: none"> 1. Principal Auditor to act as point of contact within ECDC for attendance at Tenancy Fraud Forum meetings. 2. Issues arising of interest to be circulated to officers within the Council (Financial Services Manager & S151 Officer, Housing Services) |
| Feedback | See 2 above through 1:1 with Financial Services Manager & S151 Officer or informal meetings with Housing Services. |
| Notes | The Prevention of Social Housing Fraud Act 2013 created specific criminal offences to assist in the investigation of suspected tenancy fraud, prosecute offenders and recover any financial benefit. The Act gives local authority investigators the powers to prosecute tenancy fraudsters on behalf of housing providers. The Cambridgeshire Tenancy Fraud Forum (CTFF) has been set up and aims to create an anti-tenancy fraud culture across Cambridgeshire and membership consists of both local authorities and housing providers. |

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| Name | To increase sign up from Registered Social Landlords to share tenancy information. |
| Owner | Principal Auditor |
| Co owners | Partners (ARP, RSLs) |
| Purpose | To increase the overall membership of, and participation in data sharing to tackle tenancy fraud within Cambridgeshire. |
| Links | Anti-Fraud & Anti-Corruption Strategy, Prevention of Social Housing Fraud Act 2013, Audit Commission report 'Protecting the Public Purse'. |
| Formula | Number of housing providers within East Cambridgeshire signed up to the Cambridgeshire Tenancy Fraud Forum (CTFF). |
| Source of Data | CTFF Terms of Reference. |
| Frequency | Annual |
| Target | To have one East Cambridgeshire housing provider signed up to the CTFF by 31st March 2015. |
| Rewards/Penalties | It is estimated that at least 2% of social housing stock outside London is typically subject to some form of tenancy fraud. The national average loss to the public purse where tenancy fraud occurs is £18,000 plus that of the housing provider. Tenancy fraud is estimated to be five times the annual loss due to Housing Benefit fraud. As ECDC does not have any housing stock of its own it is reliant on social housing providers to sign up to the CTFF in order cases to be identified for investigation. |
| Who measures? | Principal Auditor |
| Who acts on the data? | Principal Auditor |
| What will be done | <ol style="list-style-type: none"> 1. Meet with one (preferred) social housing provider (Sanctuary Housing) to discuss benefits of joining the Cambridgeshire Tenancy Fraud Forum. 2. Get social housing provider to sign Information Sharing Agreement. 3. Agree on data to be shared, format and frequency. 4. Publicise launch of tenancy fraud work across district. |
| Feedback | Feedback via regular 1:1 meetings with Financial Services Manager & S151 Officer, Fraud & Visits Team Manager at ARP. |
| Notes | The Prevention of Social Housing Fraud Act 2013 created specific criminal offences to assist in the investigation of suspected tenancy fraud, prosecute offenders and recover any financial benefit. The Act gives local authority investigators the powers to prosecute tenancy fraudsters on behalf of housing providers. The Cambridgeshire Tenancy Fraud Forum (CTFF) has been set up and aims to create an anti-tenancy fraud culture across Cambridgeshire and membership consists of both local authorities and housing providers. |

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| Name | Raise awareness of fraud and corruption across the organisation. |
| Owner | Principal Auditor |
| Co owners | Members of the Internal Audit Team |
| Purpose | To ensure all relevant staff receive fraud awareness training. |
| Links | Anti-Fraud & Anti-Corruption Strategy, CIPFA Better Governance Forum 'Managing the Risk of Fraud', Audit Commission 'Protecting the Public Purse'. |
| Formula | Percentage of relevant starters (HR records) who have attended fraud awareness training. |
| Source of Data | HR Training records. |
| Frequency | Yearly |
| Target | 100% |
| Rewards/Penalties | Staff who do not receive training will not be aware of general fraud awareness issues, in particular how to report suspicions of fraud. |
| Who measures? | Principal Auditor |
| Who acts on the data? | Principal Auditor |
| What will be done | <ol style="list-style-type: none"> 1. Fraud Awareness training sessions will be facilitated by Internal Audit at six monthly intervals. 2. Using information on new employees provided by HR identify those new employees who will require the training. |
| Feedback | Half yearly Performance Report |
| Notes | <p>Fraud awareness training currently provided to new employees by the Principal Auditor is not a compulsory element of the induction programme. To achieve the required target this training will need to be included as part of the induction process.</p> <p>'Relevant' staff will be determined by the nature of their employment, for example providing training to Public Convenience or Office Cleaners may not be considered appropriate.</p> |

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| Name | To pay undisputed Invoices within 30 days |
| Owner | Senior Accountancy Assistant |
| Co owners | Accountancy Assistant & Administrative Assistant |
| Purpose | To ensure all undisputed invoices are paid within 30 days |
| Links | Medium Term Financial Strategy, Annual Budget |
| Formula | % of undisputed invoices paid within 30 days |
| Source of Data | Agresso |
| Frequency | Quarterly |
| Target | 100% |
| Rewards/Penalties | Ensuring suppliers are paid on time |
| Who measures? | Senior Accountancy Assistant |
| Who acts on the data? | Senior Accountancy Assistant |
| What will be done | Monitoring of undisputed invoices paid within 30 days per department |
| Feedback | Quarterly Performance Report |
| Notes | . |

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| Name | Appraisals completed annually and on time |
| Owner | Linda Grinnell |
| Co owners | |
| Purpose | To ensure that all staff appraisals be completed annually and within the time frame set by HR. |
| Links | HR Policy and Procedure |
| Formula | To arrange in and complete all staff appraisals within time frame set by HR ensuring that all staff have enough time to complete their comments and for Financial Services Manager to complete appraisal and agree with staff member before signing. Identify training needs. Opportunity to discuss what has gone well and what needs improving and aspirations for the future. |
| Source of Data | HR, Financial Services Manager and Staff member |
| Frequency | Yearly |
| Target | 100% |
| Rewards/Penalties | Staff will be unaware of their progress throughout the year, would not know what areas to improve upon therefore not providing the best service possible to the clients. Effect on staff morale. |
| Who measures? | Financial Services Manager and HR |
| Who acts on the data? | Linda Grinnell and the Finance Team |
| What will be done | <ol style="list-style-type: none"> 1. Time frame set by HR 2. Financial Services Manager to book appraisals with staff 3. FSM to issue staff with paperwork to complete (giving enough time in which to do so) 4. Officers complete appraisee's comments and return to FSM 5. Appraisal conducted by FSM and Officer comments to be added to paperwork 6. Completed paperwork to be passed to Officer for review and final signature. 7. Completed appraisals to be sent to HR. |
| Feedback | 1:1, mid term appraisal |
| Notes | Any discussion at appraisals should not come as a surprise; issues that arise regarding performance should be dealt with in a timely manner |

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| Name | Service awareness briefings for Service Delivery Champion |
| Owner | Linda Grinnell |
| Co owners | Finance Officers |
| Purpose | To update Service Delivery champions with progress within the finance team, how the service is being operated and budgetary updates. Service Delivery Champion to act as critical friend. |
| Links | Corporate Strategic Finance Outcome. |
| Formula | To include Service Delivery Champions in all aspects of the running of the finance department to promote transparency and good partnership working. Members will be able to understand the everyday running of the department and will be able to offer assistance where required. |
| Source of Data | Regular feedback from Members and CE. |
| Frequency | As required |
| Target | 100% |
| Rewards/Penalties | Members need to have an awareness of the service in order for it to move forward. They will act as a critical friend to the service and their role is to understand the complexities of finance, see how changes will benefit the effectiveness of the team and the service it provides to the community and report to the Council on their activities and respond to questions and enquiries. |
| Who measures? | Financial Services Manager and Assistant Director for Support Services |
| Who acts on the data? | Linda Grinnell |
| What will be done | <ol style="list-style-type: none"> 1. Identify Member Champion 2. FSM to invite those members to regular meetings 3. Invite Members to shadow the team if they wish 4. Invite members to attend Team meetings 5. Include Members in the distribution of quarterly performance reports. |
| Feedback | Quarterly Performance report |
| Notes | |